

CONTROL NO. 82-7878/2

CROSS REF: \_\_\_\_\_

PRIOR PAPERS ON THIS SUBJECT: NO YES

PRIOR CORRES SENT TO: \_\_\_\_\_

OTHER COMMENTS: 11-25 Jan

EXECUTIVE REGISTRY FILE NO:

BQ32 ~~0267~~

CROSS REF: \_\_\_\_\_

MEMORANDUM FOR:

DCI

Attached is SOVA's response to several points raised in a letter dated 6 January 1982 from Dr. Selin, Chairman, MEAP, to you. There is also a covering letter for your signature.

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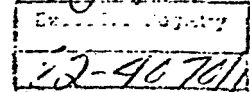
Robert M. Gates

Date

21 JAN 1982



Washington, D.C. 20505



25 JAN 1982

DDI-476-82

DCF

Dr. Ivan Selin  
American Management Systems, Inc.  
1777 North Kent Street  
Arlington, Virginia 22209

Dear Dr. Selin:

Thank you for your follow-up letter concerning the fall meeting of the Military-Economic Advisory Panel, as well as for your earlier correspondence on the CIA and DIA petroleum estimates.

The several suggestions which you raised in your letter are addressed in the attachment. I consider the work of the Panel to be of continuing importance to the Agency, and I welcome any additional observations you or your colleagues may have.

Sincerely,

For William J. Casey

William J. Casey  
Director of Central Intelligence

Enclosure:

Comments on MEAP Report

Comments on MEAP Report

*It appears that the Office of Soviet Analysis has not yet fully focused on...(the quality of life in the USSR) and there are conflicting views of the research agenda.*

The previous attention to the "Quality of Life" issue has been spotty. A major paper was produced in 1979 on "Consumer Frustrations and the Soviet Regime" and our economists have written on the consumption issue per se. For the most part, however, we have relied on outside scholars and academics for analysis on these subjects. In general, the information base is open source and available to all. Academics, in fact, with their greater freedom to travel and make contact with Soviet sociologists have some obvious advantages over analysts confined to Washington.

We take your point, however, that more effort should be put on this issue. We now have a survey paper under way that will try to pull together relevant information from all sources and assess the problem posed for Moscow. We intend, moreover, to make greater use of consultants and will contract for some research in areas where we are particularly thin.

*We were pleased to hear of the plans for a conference in December on the "Price Change in the Soviet Defense Sector."*

The conference on "Price Change in the Soviet Defense Sector" was held 7-8 December as scheduled. We believe the conference was a considerable success. It was well-attended--approximately 35 experts on the subject including a number of academics were there--and the participation was enthusiastic. As you know, it will be very difficult to change our 1970 price base to post-reform prices especially in the case of military hardware. The participants at the conference could recommend no easy method. They did, however, provide valuable insights on theoretical problems and data sources that will help us to construct an effective research program to accomplish this task. The Office of Soviet Analysis will send you a copy of a report summarizing the results of the conference as soon as that report is available.

*With respect to...use (of emigrees) we believe there are opportunities through the use of privacy-preserving statistical techniques. One of our Panel members--Professor Lapidus--has well developed ideas on this topic that she could share with the appropriate officials.*

As you may know, the Agency has become a major supporter of the massive five-year Soviet Interview Project that is currently beginning in the American academic Sovietological community. This effort should not only provide a rich data base for Soviet experts both inside and outside the government but should also promote expanded contacts and improved interaction between our own analysts and academic Soviet affairs specialists. Our people are in touch with Professor Lapidus to take into account her ideas and suggestions on this general subject area.

*Events indicating continued deterioration of Soviet economic growth prospects and the sharpening of the guns-butter dilemma underscore the importance of an indicators watch.*

Since your previous discussion of this issue we have established a research project in the Office of Soviet Analysis to investigate indicators of change in Soviet military policy. The purposes of this project are the following:

- to collect and analyze data across a wide spectrum of economic, political, and military activities in order to provide an integrated description of trends in and changes to Soviet military programs, forces, and doctrine over the course of a year, together with an assessment of the implications of those changes for the Soviet military as a whole;
- to assess these trends within the broader context of changing patterns within the political, economic, and social fabric of Soviet society;
- to establish a systematic and long-term monitoring of these indicators.

The first annual indicators report is scheduled for the fourth quarter of CY 1982.

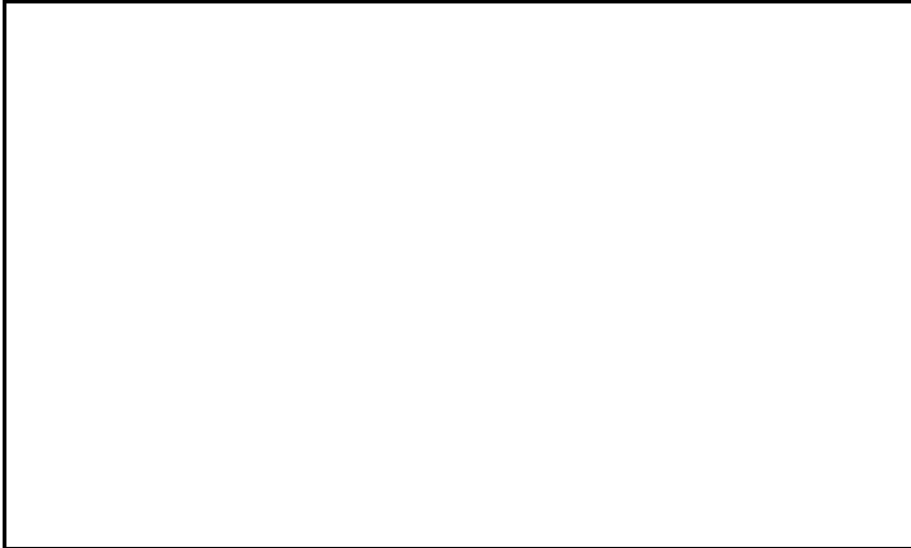
*We discussed...a paper (concerning limitations of dollar/dollar and ruble/ruble comparisons..., etc.) with Agency officials at the October meeting, and feel more strongly than ever that such a paper is necessary and should be specifically commissioned and scheduled.*

I share your concern for the need to be aware of the limitations of and appropriate uses for defense comparisons in dollar terms. One way of doing this is to examine the defense comparisons using ruble costs for both countries. We have done this and currently plan to produce two papers on this subject: One will be a short article that is essentially a writeup of the briefing presented at the last MEAP meeting. The other, a longer and more theoretical piece, will discuss the implications of the ruble work for the validity of our dollar comparisons. As you know, the dollar papers themselves always contain a carefully-worded section on the uses and limitations of dollar comparisons. We are conducting research into the relative advantages of comparisons of inputs over comparisons of output, but we have no plans for a paper at this time.

*The last topic I would like to cover is the one we have discussed several times--the use of other than career analysts to supplement or replace Agency intramural efforts....*

— Thank you for your thoughts on the use of "outside" assets. We are moving in that direction. As noted above, we do intend to use outside sources where their expertise is greater than ours. Each office is being charged with developing contacts, conferences, and seminars on relevant subjects. These subjects should correlate closely with each office's research program and should be intended to inform those in the Agency with the views of experts outside the Intelligence Community. The December conference cited above is an example of this policy. Further, we are planning to use outsiders on a panel tasked to review our intelligence products.

SUBJECT: Letter to Dr. Ivan Selin from William J. Casey  
(Comments on MEAP Report)



STAT

MEMORANDUM FOR: Release 2006/07/06 : CIA-RDP83M00914R000700080  
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Robert M. Gates

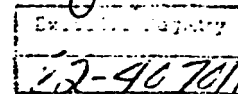
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William J. Casey  
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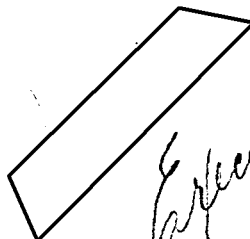
Sincerely,

William J. Casey

*Director of Central Intelligence*

Enclosure:  
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*Name + Title should  
be centered under  
"Sincerely."*



*Executive  
Secretary*

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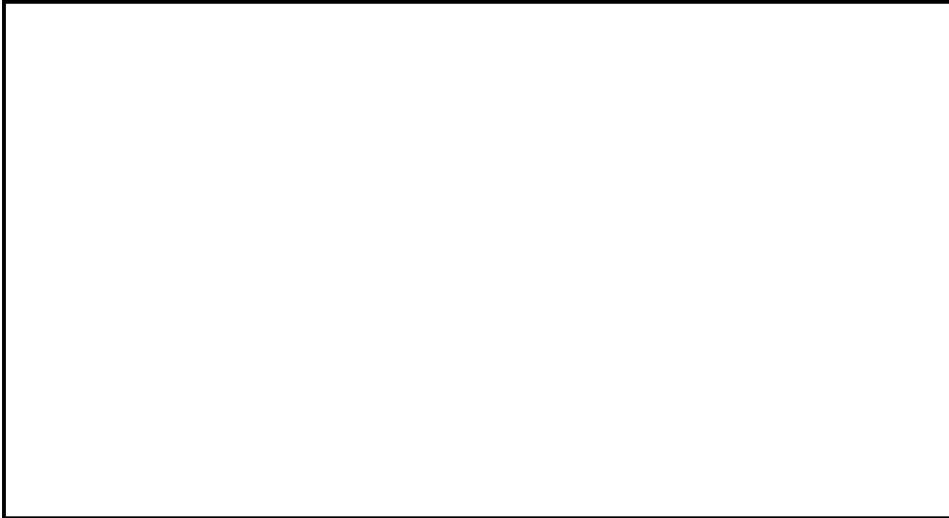
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